



Valuing Your Property

You will encounter different viewpoints on the value of your property in adjusting your fire loss or in claiming a casualty loss on your federal income tax. Knowing the following terms will help you understand the process used to determine the value of your fire loss:

- **Your personal valuation:** Your personal loss of goods through fire may be difficult to measure. These personal items have SENTIMENTAL VALUE to you; however, it is objective measures of value that you, the insurer, and the Internal Revenue Service will use as a common ground for discussion. Some of these objective measures are discussed below.
- **Cost when purchased:** This is an important element in establishing an item's final value. Receipts will help verify the cost price.
- **Fair market value before the fire:** This concept is also expressed as ACTUAL CASH VALUE. This is what you could have received for the item if you had sold it the day before the fire. The price would reflect its cost at purchase minus the wear it had sustained since purchase. Depreciation is the formal term used to express the amount of value an item loses over a period of time.
- **Value after the fire:** This is sometimes called the item's salvage value.

Restoration Services

There are companies that specialize in the restoration of fire damaged structures. Whether you or your insurer employs this type of service, be clear of who will pay. Be sure to request an estimate of cost for the work. Before any company is hired check their references. These companies provide a range of services that may include some or all of the following:

- securing the site against further damage
- estimating structural damage
- repairing structural damage
- estimating the cost to repair or renew items of personal property
- packing, transportation, and storage of household items
- securing appropriate cleaning or repair subcontractors
- storing repaired items until needed